

COVER TENNESSEE

5 Targeted Strategies to Help the Uninsured in Tennessee

Governor Phil Bredesen’s proposal to help Tennessee’s uninsured residents has been signed into law and is now on its way to making affordable and portable health coverage a reality for hundreds of thousands of Tennesseans.

Cover Tennessee includes 5 targeted strategies to create health coverage options for Tennesseans who are uninsured. Cover Tennessee is fundamentally different from past health care expansions. With Cover Tennessee, the state is completely in control of the program design, implementation and costs. And, unlike other health care expansions across the country, Cover Tennessee is voluntary.

CoverKids: Creates a partnership between the state and the federal government to extend comprehensive health coverage to every uninsured child in Tennessee.

AccessTN: Provides a comprehensive health insurance plan for seriously ill adults who can afford health coverage but who have been turned down by insurance companies as “uninsurable.” A premium assistance plan will help low income uninsurables also take part.

CoverRx: Expands the state’s successful Safety Net program for affordable medication to low income, uninsured Tennesseans.

CoverTN: Creates a partnership between the state, private employers and individuals to offer guaranteed, affordable, basic health coverage for working Tennesseans who are uninsured.

ProjectDiabetes and Coordinated School Health: Expands an educational pilot project to K-8 schools across the state to teach healthy lifestyles and eating habits. Also launches a grant program to expand treatment options focusing on reducing Type II Diabetes and obesity.

Look for enrollment information on
Cover Tennessee Health Coverage Options in Fall 2006.
Benefits should begin in early 2007.

To sign up for updates call 1-888-486-9355 or visit www.tennessee.gov

Cover Tennessee Comparison Chart

	COVERKIDS	ACCESSTN	COVERTN	COVERRX
Household Income	Below 250% fpl	No restriction	Below 250% fpl	Below 250% fpl
Income exceptions	Buy-in available over 250% fpl	NA	Small Employer exception for businesses of fewer than 25 employees	NA
Age	18 and under; pregnant women	NA	18 and over	18 and over
TN Residency	Yes	Yes	Yes	Yes
“Go Bare” (time uninsured prior to enrollment in this product)	3 months*	at least 6 months	at least 6 months	No current pharmacy coverage
Employment	NA	NA	Required at time of enrollment	NA
Pre-existing condition clauses	None	May include temporary exclusion for pre-existing conditions; exclusion may be waived for TennCare disenrollees	May include temporary exclusion for pre-existing conditions	NA
Pricing information	Reduced co-pays	Premiums capped at 150% - 200% standard market rates; premium subsidies for low income uninsurables	Target price: \$150 to be shared among the participant, state and employer; varies by age, tobacco and weight	Affordable co-pay for actual medication received from base formulary; discount price for all other medications
Benefits	Comprehensive coverage modeled on State Employee Health Plan	Comprehensive coverage modeled on State Employee Health Plan with HSA option	Targeted coverage of most needed services, (i.e. physician, hospital, pharmacy, etc.)	Affordable access to base formulary of generics and selected brand name pharmaceuticals; discount for all other medications

* Under review

Cover Tennessee: Good for Me. Good for Tennessee.

The Heart of the Plan: CoverTN

Frequently Asked Questions

CoverTN is a plan for working people who are uninsured. Tennesseans need an affordable option to meet their basic health needs - a plan that will follow them to a new job or stay with them during a period of unemployment.

Affordable and Portable

What will it cost?

- Premiums will average \$150 per month depending on age, weight and use of tobacco
 - The State contributes 1/3
 - The employer has the option to split the other 2/3 with the employee or an individual can pay the remainder

What if I leave this job?

- You will own the policy, not your employer; if you change jobs you take the policy with you

Helping Working Tennesseans Help Themselves

Who is eligible?

- People who earn 250% or less of the federal poverty level
 - About \$50,000 for a family of four or \$24,500 for an individual
- People who are working at the time of enrollment
- Uninsured Tennessee residents

Basic Coverage to Meet Basic Needs

What do I get?

- Affordable doctor’s visits and prescriptions
 - Estimated \$25 co-pay for doctor visit; \$10 for prescription
- No or low deductibles
- Some basic emergency and hospital coverage
- An emphasis on preventative care to encourage early treatment and avoid costly and dangerous health issues

Your small business may qualify to offer CoverTN to all of your employees

If your company:

- Is located in Tennessee
- Has 25 or fewer employees
- Has a qualifying percentage of the workforce earning 250% or less of the federal poverty level
- Offers the plan to all employees

...then you could offer CoverTN as your health insurance package for all of your employees, even if a few of them earn more than the income limit.

AccessTN: Insurance for Uninsurables
More Premium Assistance Dollars than Any Other State

In early 2007, AccessTN will begin offering comprehensive health insurance to Tennesseans deemed “uninsurable,” making Tennessee the 34th state to create this kind of high risk pool.

Currently, people with a pre-existing condition who need individual insurance are caught in a catch-22. If they can get approved for coverage, it typically excludes the very condition they need covered, and/or, according to HIPAA regulations, the price quoted can be as much as three times standard market rates.

Under AccessTN, benefits are expected to be modeled on the State Employee Health Plan; it will be a comprehensive plan that includes doctor visits and prescriptions as well as hospital stays, and acute and catastrophic care. Disease management for chronic conditions will also be a critical component.

AccessTN is primarily designed for sick people who can afford to pay something for insurance but either have not been able to get access to coverage or could not afford to pay rates three times higher than their neighbor’s rates. AccessTN’s rates are designed, by law, to fall under the HIPAA pricing threshold in order to create a more affordable option for coverage.

Additionally, up to \$38 million has been set aside to offer premium assistance for low-income uninsurables. That \$38 million is comprised of two allocations, one for \$13 million and another reserve of \$25 million.

\$13 million has been appropriated to offer lower premiums to low income uninsurables in the first year. This amount alone puts Tennessee ahead of the closest comparison, Colorado, where \$10 million has been allocated but not fully utilized.

The additional \$25 million has been set aside for a potential federal match if Tennessee qualifies for a new waiver under the Health Insurance Flexibility Act. This is a different kind of waiver than Tennessee has previously utilized.

The most appealing part of this program is that it allows Tennessee to facilitate the market by offering health insurance to Tennesseans who need it under the umbrella of a state plan that is not governed by costly federal regulations. As a result, this program will not spiral out-of-control the way TennCare did in previous years. Based on Tennessee’s past experiences, there are also many provisions designed to curb fraud and abuse built into the plan design.

AccessTN RELATIVE PRICING INFORMATION

	Market Avg.	ACCESSTN (Capped at 150%-200%)	HIPAA Policy (Typically 300%)
Single policy	\$238/month	\$358 - \$477/month	\$715/month
* Based on the current market averages as presented in America’s Health Insurance Plans, Individual Health Insurance, August 2005.			